

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3730 - HB 3811

March 2, 2012

SUMMARY OF BILL: Requires the Department of Education (DOE) to create an access to the educational technology program for all seventh and eighth grade students. This program shall include, but not be limited to, providing each seventh grade student with a laptop computer. Computers shall remain the property of the local education agency (LEA) and be returned to the LEA at the conclusion of the eighth grade year. To be eligible to participate in this program, LEAs shall write a letter of intent to the DOE. The DOE is authorized to contract with a third party to provide the computers, necessary software, teacher training, and technical support as needed. Requires the DOE to monitor any changes in standardized test scores of students who use the laptops and to make a report on any such changes to the members of the General Assembly's Education and Finance, Ways and Means Committees by July 1 each year. This report shall include information on the program's cost, feedback from teachers and students on its effectiveness, and comments on necessary program improvements. The access to the educational technology program shall begin with seventh grade students in the 2013-2014 academic year and include eighth grade students in the 2014-2015 academic year.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$35,801,300/FY13-14
\$36,194,300/FY14-15**

Other Fiscal Impact – Recurring state expenditures for technical support, replacement of broken or disabled laptops, and continuing professional training for new teachers coming into the program cannot be specifically quantified but is estimated to exceed \$1,000,000 annually.

Laptops will be replaced on a five-year fiscal cycle. The increase in state expenditures in FY17-18 and FY18-19 when the first two batches of laptops purchased will be replaced is estimated to exceed \$36,194,250 since more students will be in the program.

SB 3730 - HB 3811

Assumptions:

- According to research performed by the Comptroller's Office, other states and researchers have estimated that the cost of implementation for this type of program is between \$250 to \$1,000 per student per year.
- The Department of Education (DOE) has estimated that the cost of a laptop, software, training, professional development and technical support will be \$750 (\$600 laptop + \$150 technical support, professional development, and training).
- In FY13-14, DOE estimates that there will be 73,438 seventh graders and 74,245 seventh graders in FY14-15.
- The number of LEAs that will opt into the program is unknown; however DOE assumes that 65 percent of LEAs will participate.
- If 65 percent of all seventh graders participate in FY13-14, the number of participating students will be 47,735 (73,438 x 65%).
- The increase in state expenditures in FY13-14 will be \$35,801,250 (47,735 x \$750).
- If 65 percent of seventh graders in FY14-15 or 48,259 (74,245 x 65%) participate, the increase in state expenditures will be \$36,194,250 (48,259 x \$750).
- Laptops will be purchased on a five-year replacement cycle. However, there will be recurring costs for technical support, replacement for broken or disabled laptops, and continuing professional training for new teachers. The increase in recurring expenditures between replacement cycles cannot be reasonably quantified but is estimated to exceed \$1,000,000 annually
- In FY17-18 and FY18-19, when the first two batches of laptops will be completely replaced, the estimated increase in state expenditures will exceed \$36,194,250 since it is assumed that the number of seventh graders in those fiscal years will be higher than in FY14-15.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/msg